SENATE BILL No. 473

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DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5-2.

Synopsis: Cap on property tax increases. Limits the assessed value growth quotient used in determining maximum levies to 2%.

Effective: July 1, 2004.

Miller

January 13, 2004, read first time and referred to Committee on Finance.

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SENATE BILL No. 473

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 6-1.1-18.5-2, AS AMENDED BY
2   P.L.192-2002(ss), SECTION 35, IS AMENDED TO READ AS
3   FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) As used in this
4   section, "Indiana nonfarm personal income" means the estimate of total
5   nonfarm personal income for Indiana in a calendar year as computed
6   by the federal Bureau of Economic Analysis using any actual data for
7   the calendar year and any estimated data determined appropriate by the
8   federal Bureau of Economic Analysis.
9   (b) For purposes of determining a civil taxing unit's maximum
10 permissible ad valorem property tax levy for an ensuing calendar year,
11 the civil taxing unit shall use the assessed value growth quotient
12 determined in the last STEP of the following STEPS:
13   STEP ONE: For each of the six (6) calendar years immediately
14   preceding the year in which a budget is adopted under
15   IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
16   nonfarm personal income for the calendar year by the Indiana
17   nonfarm personal income for the calendar year immediately

1   preceding that calendar year, rounding to the nearest
2   one-thousandth (0.001).
3   STEP TWO: Determine the sum of the STEP ONE results.
4   STEP THREE: Divide the STEP TWO result by six (6), rounding
5   to the nearest one-thousandth (0.001).
6   STEP FOUR: Determine the lesser of the following:
7   (A) The STEP THREE quotient.
8   (B) One and ~~six-hundredths (1.06).~~ **two hundredths (1.02).**
9   SECTION 2. [EFFECTIVE JULY 1, 2004] **IC 6-1.1-18.5-2, as**
10 **amended by this act, applies only to budget years beginning after**
11 **December 31, 2004.**

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